

# Exempt Organization Annual Information Return

## Phone Numbers

If additional information is required, please contact one of the Taxpayer Information and Assistance help numbers:

Phoenix ..... (602) 255-3381  
 Tucson ..... (520) 628-6421  
 Other Arizona areas ..... 1-800-352-4090  
 Form Orders..... (602) 542-4260  
 Forms by FAX ..... (602) 542-3756  
 Recorded Tax Information  
     Phoenix ..... (602) 542-1991  
     Other Arizona areas ..... 1-800-845-8192  
 Hearing impaired TDD user  
     Phoenix ..... (602) 542-4021  
     Other Arizona areas ..... 1-800-397-0256  
 Internet..... <http://www.state.az.us/revenue>

## Organizations Which Must File This Information Return

Certain organizations can apply to the Department of Revenue for an exemption from Arizona corporate income taxes. Most organizations that have tax exempt status under ARS § 43-1201 must file Arizona Form 99 only if their gross income exceeds \$25,000. However, the following exempt organizations do not have to file this form regardless of the amount of gross income.

1. A religious organization exempt under ARS § 43-1201, paragraph 4.
2. An educational organization exempt under ARS § 43-1201, paragraph 4. The organization must normally maintain a regular faculty and students in attendance at the place where its educational activities are regularly conducted.
3. A charitable organization or an organization for the prevention of cruelty to children or animals, exempt under ARS § 43-1201, paragraph 4. The organization must receive its support, in whole or in part, from funds contributed by the United States, or any state or political subdivision thereof, or receive its primary support from contributions of the general public.
4. An organization exempt under ARS §

43-1201, paragraph 4, if the operation, supervision, or control of the organization is by, or in connection with, a religious organization described in paragraph 1 above.

5. An organization exempt solely under ARS § 43-1201, paragraph 2.

## Application for Exempt Status Under ARS § 43-1201

Section 43-1201 of the Arizona Revised Statutes states that organizations that are exempt from federal income tax under section 501 of the Internal Revenue Code are exempt from the tax imposed under Title 43 of the Arizona Revised Statutes.

An organization may request a letter of exemption from Arizona state income taxes by applying to the Corporate Audit Section of the Arizona Department of Revenue. The request can be in the form of a letter or a completed Arizona Form EX-4. Obtain Form EX-4 by calling the Tax Exempt Coordinator of the Corporate Audit Section at (602) 542-3345 during regular business hours.

The request for exemption from corporate income taxes must contain the following information:

1. The name and address of the organization that is requesting exemption.
2. The type of organization that is requesting exemption. For example, is the organization charitable, civic league, teachers' or public employees' retirement fund, etc.
3. A copy of the articles of incorporation or other instrument under which the organization operates, including any amendments. The document must set forth the tax exempt purpose and activity of the organization.
4. A copy of the by-laws of the organization that is requesting exemption, including any amendments.
5. A copy of the letter of determination

issued by the Internal Revenue Service stating the status of the organization for federal income tax purposes. A member of a national tax exempt organization must furnish copies of its affiliation to the national organization and the national organization's letter of determination.

If the Internal Revenue Service does not require the organization to apply for a letter of determination, the organization must provide adequate documentation to the department upon request.

6. Signature, title, and phone number of a qualified officer of the organization that is requesting exemption.

The requested information should be mailed to:

Tax Exempt Coordinator  
 Corporate Audit Section  
 Arizona Department of Revenue  
 1600 W Monroe  
 Phoenix AZ 85007-2650

The tax exempt status provided by ARS § 43-1201 applies only to corporate income taxes. The organization may still be subject to other taxes, such as withholding or transaction privilege taxes.

**NOTE:** *Homeowners Associations described in IRC § 528 are not exempt from tax under ARS § 43-1201. These organizations must file Arizona Form 120. However, certain Homeowners Associations are federally tax exempt under IRC § 501 (c)(4), as social welfare organizations, or under IRC. § 501(c)(7), as clubs organized for pleasure or recreation. These Homeowners Associations are similarly tax exempt for Arizona income tax purposes. These organizations may file the Arizona Form 99.*

## Filing Original Returns

Returns are due by the 15th day of the fifth calendar month after the close of the taxable year. If the organization has a valid federal or Arizona extension, file the return by the extended due date. Attach a copy of the federal or Arizona extension

to the front of the Arizona return.

Send the return to the Arizona Department of Revenue, PO Box 29079, Phoenix AZ 85038-9079. Attach a copy of the appropriate federal tax return.

The department normally determines the timeliness of a return by the postmark or other official mark of the U.S. Post Office stamped on the cover in which the return is mailed. Refer to Arizona General Tax Ruling GTR 93-1 for further information. Call one of the Taxpayer Information and Assistance help numbers listed on page one of these instructions to obtain a copy of the tax ruling.

### Extension of Time To File a Return

The organization can apply for an Arizona extension by filing a completed Arizona Form 120EXT by the original due date of the return. The organization can also use a valid federal extension rather than applying for an Arizona extension. Attach a copy of the federal or Arizona extension to the front of the Arizona tax return.

The department grants an Arizona extension for a period of six months. Arizona will accept the federal extension for the same period of time as covered by the federal extension.

### Penalty

An information return that is incomplete or filed after its due date (including extensions) is subject to a \$500 penalty.

### Filing Amended Returns

File amended returns within four years of the filing of the original return. Attach a statement to the amended return that explains why the organization amended its Arizona return. If the organization amended its federal return, attach a copy of the amended federal return with all applicable schedules to the amended Arizona return.

## Line-by-Line Instructions

Type or print the required information in the name, address, and information boxes at the top of page 1. All taxpayers must indicate whether the taxable year is a calendar year or a fiscal year. Indicate whether this return is an original or an amended return.

Enter the federal employer identification number of the organization, which is its taxpayer identification number (TIN). Enter the Arizona withholding tax number and Arizona transaction privilege tax number for the organization.

All returns, statements and other documents filed with the Department of Revenue require a taxpayer identification number (TIN). The TIN is either a correct social security number or, for a business, the federal employer identification number. Paid tax preparers must also include their TIN on forms where requested. Taxpayers and paid preparers who fail to include the proper TIN may be subject to a penalty. Please check the return to be sure that all required identification numbers are accurate and written clearly. Missing, incorrect, or unclear identification numbers may cause delays in processing the returns.

### Lines 1 through 12 -

Include in this section all sources of income received during the year.

### Lines 13 through 20 -

Include in this section all administrative expenses.

### Lines 21 through 26 -

Include in this section all disbursements made from current income for the organization's exempt purpose.

### Lines 27 through 32 -

Include in this section all disbursements which represent reductions in principal for the organization's exempt purpose.

### Line 33 -

Enter all other disbursements made by the organization not itemized on another line.

### Lines 34 through 36 -

Enter the applicable amounts to report the accumulation of income for the organization.

### Line 37 -

This form is an information return. An information return that is incomplete or filed after its due date (including extensions) is subject to a \$500 penalty.

If the organization files this return after its due date (including extensions), enter \$500 on this line. Attach a check for this amount to the return. Make the check payable to the Arizona Department of Revenue and include the taxpayer's TIN on the check.

## Schedule A: Balance Sheet

Complete both the beginning and ending income periods.

### Line A2 -

On line A2(a) in the description column, enter accounts receivable and subtract the amount on line A2(b). Enter the result on Line A2(c) in column (b).

### Line A3 -

On line A3(a) in the description column, enter other notes and loans receivable and subtract the amount on line A3(b). Enter the result on Line A3(c) in column (b).

### Line A7 -

On line A7(a) in the description column, enter land, buildings, and equipment; basis and subtract line A7(b). Enter the result on Line A7(c) in column (b).